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TO RUEHC/SECSTATE WASHDC PRIORITY 0593
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RUEHLB/AMEMBASSY BEIRUT PRIORITY 3981
RUEHLO/AMEMBASSY LONDON PRIORITY 0328
RUEHFR/AMEMBASSY PARIS PRIORITY 0347
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C O N F I D E N T I A L SECTION 01 OF 02 DAMASCUS 003680

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NEA/ELA
NSC FOR ABRAMS/DORAN/SINGH
TREASURY FOR GLASER/LOEFLE
COMMERCE FOR NIES-VOGEL/BENJAMIN/LAFOREST

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TAGS: [EAIR](#) [ECON](#) [EINV](#) [ETTC](#) [SY](#)
SUBJECT: SYRIA ACCOUNTABILITY ACT HITS HOME: ONE MAN'S STORY

Classified By: Charge d'Affaires Stephen A. Seche, 1.4 (b) and (d)

11. (U) Summary. Sanctions imposed by the Syrian Accountability Act (SAA) are routinely circumvented in all business sectors, as many Syrian businessmen believe the benefits for doing so have outweighed the costs. Even when following the rules, the Syrian business community's perception is that they bear the brunt of the sanctions rather than the intended regime elements. US products and/or technology remain readily available through transshipments from third countries. The practice is so widespread that our Syrian business contacts often believe we are misinformed when we tell them the practice violates US law. This environment can result in a rude awakening when the law catches up with them, as the following story from one of our business contacts shows. End Summary.

OVERALL BUSINESS CLIMATE

12. (U) Local business contacts continue to tell us of the ease with which they obtain US products and technology, despite the sanctions denoted in the SAA. It is a common Syrian perception that the only people seriously affected by the SAA are the ones who follow the law and apply for export licenses for their desired products. The paperwork and processing time often mean that, even in those cases where licenses are granted, the delays and expense have caused their end-user customers to go elsewhere. Stories like these are not uncommon; some include Chinese products incorporating US technology on both licensed and unlicensed platforms.

13. (C) One businessman, who used to be in the profitable cellular telecoms sector in Syria, told us that when their UK tech supplier was sold to a US company, which canceled their tech support contract, they simply called an Indian company. Within two days they had a new server and technician on-site in Syria to get them set up.

ONE MAN'S STORY

14. (C) Local businessman George Jirbaka, a Syrian-American dual national, is the GE distributor for Syria. Initially attempting to comply with US sanctions, he became one of a growing number of illegal importers of products when he realized competitors violating sanctions were stealing his

customers. Faced with a declining business and increasing pressure from customers, he - by his own admission - decided to start placing equipment and parts orders with the GE distributor in Beirut; when the items arrived, they would be transported into Syria. Jirbaka is only one of many Syrian businessmen who operate in a similar fashion, all of them feeling quite safe due to the misperception of a lack of enforcement concerning such activities. Now, however, some chickens are coming home to roost.

15. (C) Jirbaka recently contacted EconOff seeking "assistance and protection" regarding his GE distributorship, which he said is in danger of being taken away from him. His side of the story is that the Beirut conduit for product delivery to Syria was the idea of the GE regional office in Paris, and that he was forced to comply or he would lose his customers. Now, after a meeting in London consisting of Jirbaka, GE's Beirut representative and GE counsel, both unidentified, Jirbaka says he was told he will lose his distributorship and asserts that GE notified him that it has turned over the file to the US Department of Commerce for further action. Jirbaka's operation is one on the list of scheduled appointments for the USDOC Sentinel Team visit scheduled for 06-16 August. Jirbaka admits to breaking the law as related to SAA but says it isn't important because everyone does it, and states that GE's office in Beirut and/or Paris should be held accountable for forcing him to do so.

COMMENT

16. (C) Comment. Businessmen like Jirbaka abound in Syria, and the flouting of US sanctions is open and ubiquitous here. More cases like Jirbaka's could be used as an example of what can happen when ones gets caught operating outside legal

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bounds. Jirbaka has a rather high profile in the Damascene business community; his fall will not go unnoticed, and could cause others to rethink their assumption that willfully violating the SAA has no consequence.
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